



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

November 14, 2008

TO: All County Assessors
All County Treasurers *Brad & Flaherty*

FROM: Brad Flaherty, Assistant Director
Property Tax Division

**SUBJECT: REQUEST TO DELAY ENFORCEMENT OR COLLECTION ACTIONS
(WAC 458-30-200)**

I am requesting that you take no enforcement or collection action with respect to the removal or reclassification of property currently in farm and agricultural land until we have the opportunity to work through the rule-making process.

Comments from stakeholder meetings

As you may be aware, the Department is reviewing the definition of "commercial agricultural purposes" as defined in WAC 458-30-200, and is also evaluating whether the statute allows for more flexibility in eligibility than reflected in the existing rule. To begin this process, the Department held two stakeholder meetings in Olympia to gather input from the public about this issue. A third meeting will be held December 4, 2008, in Yakima.

The Department collected comments from over 150 people representing a wide variety of businesses, including horse boarding facilities and horse farms, cattle farms, veterinarians, hay growers, and numerous other agricultural related businesses. Extensive information was gathered about the types of activities being conducted, the economic impact of horse operations, and why these activities should be considered agricultural.

Definition to be revised

The term "commercial agricultural purposes" is defined by rule and includes several types of activities. One portion of the definition requires, "*feeding, breeding, managing, and selling of livestock, poultry....*" This definition excludes some activities, such as purchasing calves in the Spring, feeding and managing them throughout the Summer, and selling them in the Fall because there is no breeding taking place. However, since this has become a somewhat common agricultural practice, the existing WAC is outdated and will be amended to remove breeding as a requirement for inclusion as farm and agricultural land. Other changes are being considered to more clearly define eligibility requirements, and as a result, agricultural property that did not previously qualify for the farm and agricultural classification may be eligible under the new rule, e.g. horse boarding.

Timeline of rule-making process

We are aware of the timelines faced by your office and a number of property owners as we work towards a resolution. Therefore, we are working as quickly as possible to review information and provide guidance that will include the issuance of an emergency rule before the end of December. I appreciate your assistance in helping resolve this issue in a thoughtful manner.

BF:slc